

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Expedited Application of Pacific Gas and Electric Company (U 39 M) to (1) Issue, Sell and Deliver One or More Series of Its First and Refunding Mortgage Bonds, Debentures, Subordinated Deferrable Interest Debentures, Promissory Notes and/or Other Evidences of Indebtedness in Connection with Domestic or Euro-Market offerings, to Guarantee the Obligations of Others in Respect of the Issuance of Securities and to Arrange For Standby Letters of Credit as Performance Guarantees, the Total Aggregate Principal Amount of Such Issuances and Guarantees Not to Exceed \$2 Billion; (2) Enter into One or More Interest Rate Caps, Collars and Swaps; (3) Issue Variable Rate Debt (Including Fixed Rate Debt Swapped to a Variable Rate) to Finance Balancing Account Undercollections; and (4) Obtain an Exemption from the Competitive Bidding Rule.

Application 00-10-029
(Filed October 18, 2000)

**ADMINISTRATIVE LAW JUDGE'S RULING ON
MOTION OF PACIFIC GAS AND ELECTRIC COMPANY
FOR EXPEDITED DECISION AND ORDER SHORTENING TIME
RELATED TO ITS CONCURRENTLY FILED
PETITION FOR MODIFICATION OF
DECISION (D.) 01-01-062, D.01-02-050,
D.01-06-074, AND D.02-03-025**

Summary

On January 9, 2003, Pacific Gas and Electric Company (PG&E) filed its Motion and Petition to Modify a series of decisions that grant authority under Pub. Util. Code § 851¹ to pledge its accounts receivable and core natural gas inventory for the sole purpose of procuring core natural gas supplies for its retail customers. This Ruling grants the Motion as modified herein.

PG&E, pursuant to Rules 45, 77.7 and 81 of the California Public Utilities Commission's (the Commission) Rules of Practice and Procedure is seeking:

1. an expedited decision on its Petition to Modify Decision, (D.) 01-01-062, D.01-02-050, D.01-06-074 and D.02-03-025 ("Petition to Modify),
2. that the Commission waive or shorten time for public review and comment on the draft decision, and
3. a shortened time for parties to respond to the motion and to file responses to its Petition to Modify.

Background

In D.01-01-062, the Commission granted PG&E authority under § 851 to pledge its accounts receivable and core inventory² for the sole purpose of procuring core gas supplies. The authority granted by D.01-01-062 terminated the earlier of (i) 90 days after the effective date of the decision, or (ii) 15 days after an upgrade of the credit rating of PG&E's senior unsecured long-term debt to at least BBB- by S&P or Baa3 by Moody's Investor Services, Inc. (Moody's). In D.01-02-050, the Commission extended PG&E's authority to pledge its accounts receivable and core inventory until July 31, 2001. In D.01-06-074, the

¹ All statutory references are to the Public Utilities Code unless otherwise indicated.

Commission extended PG&E's authority until the earlier of (i) May 1, 2002, (ii) the effective date of a confirmed reorganization plan in PG&E's bankruptcy case, (iii) the closure or dismissal of PG&E's bankruptcy case, or (iv) 15 days after an upgrade of the credit rating of PG&E's senior unsecured long-term debt.

D. 02-03-025 extended PG&E's authority to pledge its gas customer accounts receivable (accounts receivable) and core gas inventory (core inventory) for the purpose of procuring core gas supplies until the earlier of (i) May 1, 2003, (ii) 15 days after an upgrade of the credit rating of PG&E's senior unsecured long-term debt to at least BBB- by Standard & Poor's (S&P) or Baa3 by Moody's, (iii) the effective date of a Chapter 11 Plan for PG&E, or (iv) the dismissal or conversion of PG&E's Chapter 11 case.

1. An Expedited Decision

There has been no showing by PG&E or finding by the Commission that any of the latter three conditions in D. 02-03-025 have been satisfied, which suggests that the first condition will apply to terminate PG&E's authority on May 1, 2003. A binding commitment to expedite a decision cannot be made by Ruling. This Ruling will establish a schedule that may increase the likelihood of a prompt decision even though PG&E's Petition was not filed with sufficient time for observing the known standard practices and procedures.

2. Waive or Shorten Time for Public Review

Any Commission decision on this Petition would be the fifth in a series and, as such, most parties likely are familiar with the policy issues. Rule 77.7(f) and § 311(g) gives some discretion to reduce or waive public review and

² For purposes of this decision, "core inventory" is defined as gas designated for core

Footnote continued on next page

comment of a draft decision. This Ruling will shorten the time for opening comments to five days after the draft decision is issued and the time for reply to two days after opening comments. Further, comments and reply comments must be also received by 4:00 p.m. on the appropriate day. At a future time it may be finally determined that the comment period on a draft decision is waived or reduced under either § 311(g)(2) or § 311(g)(3).

3. Shortened Time to Respond to the Motion and to File Responses to the Petition to Modify

PG&E sought responses from interested parties to its Motion within four days and responses to its Petition in 10 calendar days. This is unreasonably burdensome in light of the fact that PG&E has known since March 13, 2002 that its authority would expire no later than May 1, 2003. At this point, there is no need for responses to the Motion. This Ruling establishes the following schedule for the Petition to Modify:

- Responses to Petition due January 28, 2003 at 12:00 p.m.
- PG&E's Reply to Petition Responses due January 29, 2003, at 4:00 p.m.

Parties should serve responses electronically and should ensure that ALJ Minkin is served at: ang@cpuc.ca.gov. Parties should file hard copies in accordance with Article 2 of the Rules of Practice and Procedure.

Summary of Schedule

Comments on Petition	January 28, 2003 at 12:00 p.m.
PG&E's Reply to Comments	January 29, 2003 at 4:00 p.m.

customers that is held in storage fields and pipelines.

Draft Decision - tentative	February 14, 2003 at 4:00 p.m.
Draft Comments (5 Days)	February 19, 2003 at 4:00 p.m.
Reply Comments (2 days)	February 21, 2003 at 4:00 p.m.
Decision – Commission Meeting - tentative	February 27 or March 13, 2003

IT IS RULED that:

1. Opening comments on a draft decision are due from interested parties five days after the date it is mailed. Reply comments are due two days after opening comments. Comments shall be filed and served by 4:00 p.m.
2. No comments are needed on PG&E's Motion.
3. Comments on PG&E's Petition shall be filed and served by January 28, 2003, at 12:00 p.m.; and PG&E's reply to Petition comments shall be filed and served by January 29, 2003, at 4:00 p.m.
4. Parties shall serve comments and replies electronically and shall file hand copies with the Commissioner's Docket Office, as explained herein.

Dated January 22, 2003, at San Francisco, California.

/s/ ANGELA MINKIN

Angela Minkin
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling on Motion of Pacific Gas and Electric Company for Expedited and Order Shortening Time Related to its Concurrently Filed Petition for Modification of Decision (D.) 01-01-062, D.01-02- 050, D.01-06-074, D.02-03-025 on all parties of record in this proceeding or their attorneys of record.

Dated January 22, 2003, at San Francisco, California.

/s/ CLAIRE JOHNSON

Claire Johnson

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,

A.00-10-029 ANG/cgj

TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.